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ARTICLES:

(1) Nago City mayor on Futenma relocation plan: Minor change is unacceptable; Must be on the outer side of Henoko Point

ASAHI (Page 3) (Excerpt)
Evening, March 20, 2006

Commenting on the issue of the relocation of the US Marines' Futenma Air Station to Henoko Point in Nago City, Okinawa Prefecture, Nago City Mayor Yoshikazu Shimabukuro today said, "We cannot go along with a revision that goes no farther than changing the angle of the proposed runway." He made it clear that the city was sticking its call for a large-scale revision that would move the location to "someplace in between the outer perimeter of the seaside of the Henoko Point proposal and the formerly planned site in the offing of Henoko." The mayor was responding to coverage by the Asahi Shimbun and other news companies.

Mayor Shimabukuro also commented on the statements of flexibility toward revising the government's plan that are starting to come from senior ruling camp officials, such as Liberal Democratic Party Policy Research Council Chairman Hidenao Nakagawa, saying: "(Minor revisions) are unacceptable. We insist that it be on the outer side of the proposed Henoko Point site."

(2) Chief Cabinet Secretary Abe negative about revising Futenma relocation plan

Asahi, (Page 3) (Full)
Evening, March 20, 2006

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Chief Cabinet Secretary Shinzo Abe during his press briefing this morning touched on remarks by Liberal Democratic Party Policy Research Council Chairman Hidenao Nakagawa suggesting the possibility of a revision of the plan to relocate the US Marines' Futenma Air Station. He said, "I think he was only speaking from the point of view of the party." In addition, he took a negative view about revising the government's plan, saying: "I would like to expend every effort to explain to the local community the contents of the joint document of agreement between Japan and the US from last October. With the final compilation by Japan and the US coming in March, there will be no change in the stances that were taken during the talks on the current proposal."

(3) Editorial: US request for 7.5 billion dollars for force realignment extravagant

MAINICHI (Page 5) (Full)
March 19, 2006

A fierce tug-of-war between Japan and the United States over the cost of relocating US Marines from Okinawa to Guam is becoming a major focus in the ongoing bilateral talks on the realignment of US forces in Japan, now in the final stretch.

US Defense Department authorities have revealed that they have estimated the cost for relocating 8,000 US Marines from Okinawa to Guam to be 10 billion dollars, or 1.18 trillion yen, in total and that they have asked Japan to bear 75% of it. It was unusual for the US to reveal what was being discussed at the administrative level. What was more unusual and surprising was Japan's share of 885 billion yen.

Reportedly, the US government had initially estimated the relocation cost to be 3 billion dollars and presented Japan with a figure of 8 billion dollars in February. An additional 2 billion dollars on top of that is hardly acceptable. The price tag is extravagant in comparison to Japan's annual host nation support for US forces in Japan, which is approximately 230 billion yen.

To begin with, the realignment of US forces in Japan is part of the ongoing global transformation of US forces. In other words, the realignment of US forces in Japan is designed to serve the interests of the United States.

In the bilateral talks, Japan has also asked the US for steps to reduce the burden on local areas hosting US bases. Relocating US Marines to Guam is the largest step to reduce the burden on Okinawa. The US logic is that because US Marines will be transferred to Guam in compliance with Japan's request, there is every reason for Japan to bear the cost.

Some Japanese have doubts about the need for Japan to foot the bill for relocating US troops. There are various views on the cost-sharing percentages of Japan and the US and exactly what should be borne by Japan.

Approximately three decades ago, Japan began providing host nation support (HNS), which is commonly called the "sympathy budget" in Japan, to shoulder the salaries of Japanese workers employed at US bases in Japan. The system has gradually expanded, and there is criticism that the government has been too generous.

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The government has refused to acknowledge the reported cost of 10 billion dollars for the redeployment of US Marines to Guam, pointing to the inappropriateness of revealing matters under discussion with the US.

It is not good, however, for figures alone to run ahead of a clear basis for the calculation. The government needs to explain its views on the relocation cost to the general public. What is the definition of relocation expenses? To what extent should Japan foot the bill? If the relocation cost is borne by Japan, will Japan's host nation support shrink? Will the relocation cost be financed with defense spending? There are mounting questions.

The US is becoming increasingly irritated with Japan's delay in coordinating views with local areas, a matter specified in the interim report produced last October.

That does not justify the US request for 7.5 billion dollars. The Japanese people would still find such a request perplexing and react negatively to it. If US force realignment is aimed at greater credibility of the Japan-US alliance, the two countries need to spell out matters step by step in order to win the support and understanding of the Japanese public.

The two countries' timetable for producing their final report before the end of this month is in danger. We would like to see the two countries proceed with talks coolly and vigorously.

(4) Editorial: The price tag for US troops relocation extravagant

ASAHI (Page 3) (Full)
March 19, 2006

In its ongoing talks with Japan on the realignment of US forces in Japan, the US has asked Japan to bear a large portion of the cost required for relocating US Marines from Okinawa to Guam.

The estimated relocation cost is extraordinary. The US Defense Department has estimated the relocation cost to be 10 billion dollars, or 1.16 trillion yen, in total. Of it, the US has reportedly asked Japan to shoulder 75%, or 7.5 billion dollars (870 billion yen).

At present, there are 15,000 US Marines in Okinawa. The US has presented Japan with a plan to remove 8,000 of them, mostly headquarters personnel, to Guam. According to the US, the 10 billion dollars is necessary just for relocating the troops, building facilities, such as barracks, and infrastructure, such as roads, in Guam, and that the amount could swell further.

Japan has long asked for ways to reduce the burden on Okinawa,

which houses the bulk of US bases in Japan. The planned relocation of US Marines is part of such steps. Japan therefore must be prepared to pay a price for it to some extent.

But the price tag of 7.5 billion dollars is extravagant by any standards. Japan's budget for official development assistance (ODA) for fiscal 2006 is 760 billion yen. Japan's share of 870 billion yen is greater than that by more than 100 billion yen.

Japan has been providing 230 billion yen annually in host nation support (HNS), which is commonly called the "sympathy budget," to

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shoulder the necessary costs for the US forces in Japan, including maintenance expenses for US base facilities in Japan and the salaries of Japanese workers employed at US bases. Japan's generously stands out among countries hosting US bases.

Japan's financial assistance has been confined to US bases in this country. This time, Japan is being asked to foot the bill for building new base facilities in Guam, which is US territory. There is every reason for Japanese people to criticize such a step as going overboard.

There is no legal ground to spend our tax money for such a purpose, and the government is even considering establishing a new law.

The US thinks that because US Marines will be removed in compliance with Japan's request, Japan should bear the cost accordingly. A US official in charge also said: "The United States is responsible for the defense of Japan. It is Japan's role to bear the cost."

US bases in Japan have been playing an important role in the US' global strategy. Bases in the US have been playing an even greater role. The comment suggesting that Japan is the sole beneficiary is deviated from the reality of the Japan-US security system and is unconstructive.

The government described the figure as hardly agreeable. In view of the nation's financial situation, the amount is hard to swallow.

The government must explain clearly to the public why Japan has to foot the bill for building facilities at a base outside Japan. The government also needs to ask the US for a clear basis for the calculation.

Washington is trying to strengthen Guam as a strategic stronghold in the Asia-Pacific as part of its ongoing global transformation of U.S. forces. The matter is not just about relocating troops there. The two countries need to conduct in-depth discussion to probe such a political and diplomatic implication, as well.

(5) Gas fields in East China Sea: JDA considering expanding interpretation of SDF Law to allow ASDF planes to back up MSDF vessels

SANKEI (Page 1) (Full)
March 17, 2006

The Defense Agency is now looking into the possibility of adopting a measure that will enable the Self-Defense Forces' (SDF) fighter planes to provide covering fire, applying the article under the Self-Defense Forces Law prescribing the protection of weapons and other objects, in the event Maritime Self-Defense Force (MSDF) vessels are attacked within the Japanese air defense identification zone. This presumes a military collision with China over the development of gas fields in the East China Sea. Coinciding with the switch to integrated operations of the Ground Self-Defense Force (GSDF), the MSDF, and the ASDF, the Defense Agency (JDA) will strengthen cooperation between the MSDF and the ASDF in monitoring areas close to the gas fields.

The air defense identification zone is set wider than the territorial airspace for the defense of the mainland.

In the East China Sea, it is set beyond the median line with China, and the gas fields in question are located within the defense identification zone. In the event an aircraft of unidentified nationality, such as a military plane, intrudes into Japanese airspace, an ASDF fighter will scramble and urge the intruder to alter its flight route.

If that aircraft fires a machine gun or other weapons at the ASDF jet, the pilot will fire back to defend himself and to facilitate an emergency escape. JDA is now looking into the possibility of applying the interpretation of Article 95 of the SDF Law, which prescribes the protection of weapons and other items, so that a commander can order the use of weapons under such a situation from the perspective of protecting fighter jets as a weapon.

The JDA also intends to use the interpretation of the article on the use of weapons and other items in protecting MSDF escort ships. Under the current law, ASDF fighter jets can use weapons only for the purpose of protecting other jets in the same operation, but JDA intends to expand this interpretation so that they can protect MSDF equipment as well.

Specifically, if escort ships on patrol in the East China Sea or P3C patrol aircraft come under attack by Chinese aircraft within Japan's air defense identification zone, fighter jets that have been scrambled would back up the attacked vessels or planes. This would be the strongest possible step under the current legal framework.

Focusing on sovereignty over the Nansha Archipelago and the Paracel Islands, China has repeatedly carried out military drills, including amphibious operations, alongside oceanographic surveys, thereby strengthening effective control of the areas. The JDA has determined that it is imperative to urgently consider the matter with this fact in mind.

However, provided that Japan starts test drilling in gas fields and China tries to obstruct it by such means as firing warning shots, it will be the Japan Coast Guard that will face the situation first. It is not possible to protect the JCG's patrol ships just by changing the interpretation. For this reason, many ruling party members are calling on the government to drastically change the legal framework.

(6) Successors to Koizumi (Part 1): Study of Shinzo Abe -- playing up own political identity is a double-edged sword

NIHON KEIZAI (Page 2) (Slightly abridged)
March 20, 2006

The major political issue of the year is how the September Liberal Democratic Party (LDP) presidential election will turn out. Since this will be the first LDP leadership race to be held in five and a half years, this newspaper feature monthly articles about the presidential candidates.

"China should make its military spending much clearer. Let's further strengthen the bonds of the Japan-US alliance, while watching the movements of China," Abe told former US Deputy Secretary of State Richard Armitage. The two held a secret

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meeting on March 4 at a Tokyo hotel. The main topic of their conversation was the China problem.

Although Abe has been cautious in his remarks since he assumed his present post last October, he has now begun to show some of

his own political identity not just on his hard-line stances toward China and North Korea but also on other issues, as well. He even suggested an early revision of the Basic Education Law, on which views are split in the ruling coalition. He has started revealing subtle differences between his views and that of Prime Minister Junichiro Koizumi, as in February when he suggested Koizumi put off revising the Imperial House Law.

When it comes to the LDP leadership race, Abe has repeatedly said, "I've concentrated all my energies into my current job as chief cabinet secretary."

But many junior LDP lawmakers supporting Abe do not think (he is indifferent to the presidential post). On March 13, about 20 young lawmakers from various LDP factions, including Yoichi Miyazawa of the Niwa-Koga faction, got together at a Japanese restaurant in Tokyo in order to listen to what Abe would say. On the day when Koizumi dissolved the House of Representatives last year for a snap election, the 20 members assembled at party headquarters and promised to aim at creating "a young LDP" led by Abe.

Abe enjoys the highest popularity among the post-Koizumi contenders. When he moves into action, it always causes significant ripples in the LDP.

House of Councillors member Shuntaro Kageyama, in a speech delivered on March 11 in the city of Unnan, Shimane Prefecture, stated, "I would like to select as the next LDP president a person who can mend Japan's strained relations with China and South Korea." This remark by Kageyama, who has close ties with Mikio Aoki, the chairman of the LDP caucus in the Upper House, immediately spread across the party. Aoki, who has supported the Koizumi government, has yet to clarify whom he will back. But Aoki does not seem to look favorably on Abe. Aoki said in a cool manner: "A total of 65 LDP candidates (including the now defunct Conservative Party members, who rejoined the LDP) were elected in the 2001 Upper House election, taking advantage of the Koizumi boom. In the 2004 election, the number of LDP candidates elected totaled 49. At that time, Mr. Abe was the party's secretary general."

Aoki's reluctance to support Abe stems from concern expressed by business leaders that they do not expect Abe as prime minister would be able to repair Japan's strained relations with China and South Korea.

Taku Yamasaki, who has proposed building a national war memorial to replace Yasukuni Shrine, bluntly commented on Abe, "He has a open-and-shut ideology."

Even though the LDP replaced many old lawmakers with younger ones in the Lower House election last year, 179 of the 408 Diet members belonging to the LDP are senior to the 51-year-old Abe. Therefore, there still remains strong resistance to generational change in the LDP.

On March 14, Abe asked his deputy Ichiro Aisawa to consider

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advertising for candidates. He advertised for candidates for the Lower House election while he was serving as secretary general of the LDP. He flatters himself that he worked hard to make the LDP "an open party." His fight against "the old LDP" is one of his selling points. The LDP Upper House executives, including Aoki, prioritize repairing relations with industrial associations and the party's regional chapters.

Abe must show his own policy imprint if he is to attract young lawmakers to his side, but it is also a double-edged sword for he could find himself surrounded by an encircling net of this party enemies. Abe has yet to find the way to succeed Koizumi as LDP president and prime minister.

(7) US closely examining third BSE case

Kazuaki Fujii, Washington

The US Department of Agriculture has begun a thorough investigation into the nation's third case of BSE found in Alabama. The department has begun reexamining the cow itself, which had been buried, and its offspring. USDA had earlier generally concluded that the cow was over 10 years of age from its dentition and other factors, but the department has again asked experts to examine the case from all angles. USDA aims to find out how the cow became infected with the disease by closely examining when and where it was born. USDA apparently also intends to demonstrate the US government's sincere efforts toward Japan and other countries.

(8) Personnel affairs at Foreign Ministry

NIHON KEIZAI (Page 3) (Full)
March 20, 2006

The following personnel appointments are to take effect March 20:

Hideaki Hoshi as consul general in Penang; Hajime Hayashi as Financial Affairs Division director general; and Koichi Mizushima as Second North American Division director general.

(9) CEFPP changing its nature from top-down decision making forum to setting for various government agencies to coordinate views: Chasm between Takenaka and private-sector members: Yosano gradually seizing initiative

MAINICHI (Page 2) (Full)
March 19, 2006

The nature of the Council on Economic and Fiscal Policy (CEFP), which has served as a vehicle for implementing the Koizumi reform initiative, is now greatly changing. Until last fall when it was still under the leadership of Heizo Takenaka, now internal affairs and communications minister, the panel made one policy proposal after another, eliminating the involvement of ruling party members and the bureaucracy, with Takenaka teaming up with four powerful private-sector members. However, the panel has lost its forceful driving force ever since State Minister in charge of Economic and Fiscal Policy Hajime Yosano replaced Takenaka. It has instead turned into a setting for various government agencies

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to coordinate views when vetting reforms. With Yosano steadily seizing the initiative, a gulf has widened between Takenaka and the CEFPP's private-sector members.

Changes that had occurred to the panel were visible at a meeting held on March 16. As a mid- to long-term target of overhauling the nation's finances, private-sector members came up with nine cases, based on a basic-case scenario of achieving a nominal growth rate of 3% and a long-term interest rate of 4% over the next 20 years. In presenting the basic case, the panel potentially hinted at its judgment that tax hikes would be unavoidable, by differentiating the data used to back its decision from other data by using blue ink.

Takenaka countered that judgment, saying, "It is strange to reach a decision in advance." He pitted himself against private-sector member Hiroshi Yoshikawa, professor at Tokyo University, who called for boiling down assumptions. In the end, Prime Minister Junichiro Koizumi judged, "We will not reach a decision in advance. We will make a political decision in the final stage." The panel then agreed to discuss four estimates out of nine.

The private-sector members are Yoshikawa, Masaaki Honma, professor at Osaka University, Hiroshi Okuda, chairman of the Japanese Business Federation (Nippon Keidanren), and Jiro Ushio, chairman of Ushio Inc. They, along with Takenaka, are the original members of the panel since its inauguration under the

Koizumi Administration. For four years and a half through the reshuffle of the cabinet last fall, private-sector panel members held their own sessions in advance before panel meetings and submitted their own papers at every panel meeting, which often helped Takenaka to get his views reflected in the government's policy stances. However, cooperation so common in the past is now nowhere to be found.

A certain senior official of the Cabinet office portrayed the current structure of the panel: "Yoshikawa was never close to Takenaka from the start. Nowadays, Honma does not align himself with the opinions of Takenaka very much. Okuda, a leading figure in business circles, takes a neutral position. Ushio, a relative of Abe (chief cabinet secretary), is the only private-sector member close to Takenaka." During discussions on Mar. 16, Ushio acted as arbitrator, saying: "We need to set a target sooner or later. But it is not necessary to do so today." Honma and Yoshikawa acrimoniously exchanged views with Takenaka over fiscal reconstruction on Feb. 1 and Mar. 15, as well.

It is Yosano who holds together the private-sector members who have split with Takenaka. He sometimes does not even introduce Takenaka's statements in press conferences held after meetings. Yosano is thus tactfully increasingly his presence, taking advantage of the management style set by Takenaka. Yosano and Finance Minister Sakadakazu Tanigaki take the position that it is unavoidable to raise the consumption tax in order to reconstruct the nation's finances. The panel is expected to finalize its major policy theme "package reform of expenditures and revenues" in June. It wants to take the lead in policy-setting by a post-Koizumi administration.

Takenaka, on the other hand, fights back, sparring with private-sector members at every panel meeting, alarmed that they might reach a conclusion in a way that would directly lead to a hike in the consumption tax. His last resort is a solid channel with

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Prime Minister Koizumi and Liberal Democratic Party Policy Research Council Chairman Hidenao Nakagawa, but this channel is also waning in strength.

(10) EDITORIALS

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SCHIEFFER